

ATTACHMENT P

Page 1 of 4

LEHMAN BROTHERS INC.
399 Park Avenue
8th Floor
New York, NY 10022

March 23, 2005

VIA UNITED PARCEL SERVICE

Ms. Amy Chan
Executive Director, Sunnyvale Redevelopment Agency
Sunnyvale City Hall
456 West Olive Avenue
Sunnyvale, CA 94088-3707

RE: Disposition and Development and Owner Participation Agreement ("DDOPA") by and between the Sunnyvale Redevelopment Agency ("Redevelopment Agency") and Fourth Quarter Properties XLVIII, LLC ("Fourth Quarter") Pertaining to the Redevelopment of the Sunnyvale Town Center Mall, Sunnyvale, Santa Clara County, California ("Mall Property")

Dear Ms. Chan:

As you know, from the time Lehman acquired 100% ownership and control of Fourth Quarter, Lehman has been actively engaged in pursuing offers to acquire the Mall Property, including the acquisition of parcels currently owned by Sunnyvale, LLC (the "Debtor" in a pending bankruptcy Case) and by Lehman's affiliates.

On February 15, 2005, Lehman submitted information to the Agency and the City regarding the offers it had received, and Lehman's representative, Mark Calvert, then met with

Ms. Amy Chan
Executive Director, Sunnyvale Redevelopment Agency
March 23, 2005
Page 2

the City's staff to discuss the nature of the proposals and to discuss the strengths and weaknesses of each potential developer and request City approval of those who satisfy the City's qualification criteria. Subsequently, the City asked Lehman to consider certain specific additional candidates, which request Lehman accommodated.

The Agency and the City interviewed all the prospective offers, and on March 4, 2005, the Agency and City provided Lehman with its list of approved offerors. Over the past few weeks, Lehman has engaged in negotiations toward a definitive contract for sale of the property. We expect those negotiations to be completed shortly.

In accordance with the DDOPA, a residential developer must be selected by March 31, 2005. As you may recall, that date has not yet been extended. Consistent with the process as it has evolved over the past few months, and consistent with the extension previously granted for the selection of a new developer, by this letter, Lehman and Developer request that pursuant to DDOPA Section 2.03, the Agency Director grant a ninety (90) day extension of the deadline for the Developer to enter into a binding agreement with the Residential Developer pertaining to the acquisition and development of the portion of the Private Improvement Parcel where the residential portion of the Project will be constructed. This will enable Lehman to complete the process of selecting the new developer and then allow that new developer to enter into an agreement with the selected Residential Developer.

Section 2.03 provides that the Developer may request that the Agency Executive Director extend the deadline set forth in that section for up to an additional ninety (90) days, and the Executive Director shall not withhold approval of such an extension if the extension is reasonably necessary to allow completion and execution of the Developer's agreement with the Residential Developer.

Lehman respectfully submits that under the circumstances, such an extension of the deadline for the Developer to enter into a contract with the Residential Developer is both reasonable and necessary and thank you in advance for your favorable consideration of it.

Lehman has consistently demonstrated that it wants a quality development for Sunnyvale, and we look forward to working with you to accomplish the successful redevelopment of the current site into a vibrant downtown mixed use life style center.

If you have any questions regarding the foregoing, please do not hesitate to contact me at (212) 526-2453, Lehman's consultant, Mark Calvert at (206) 909-3636, or counsel identified below.

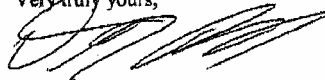
ATTACHMENT B

Page 3 of 4

Ms. Amy Chan
Executive Director, Sunnyvale Redevelopment Agency
March 23, 2005
Page 3

If I can be of further assistance to you, please let me know.

Very truly yours,



David S. Broderick
Senior Vice President
Lehman Brothers Inc.

DSB/

cc: Mr. Robert Paternoster (via facsimile 408-737-4954)

Ms. Amy Chan
Executive Director, Sunnyvale Redevelopment Agency
March 23, 2005
Page 4

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